

Redevelopment Update

May 20, 2008

Agenda

- Redevelopment Agency Overview
- AEF Loan Repayment
- Bond Funded Projects

Redevelopment Overview

- County Board of Supervisors is governing Board for County Redevelopment Agency
- Gillespie Field designated Redevelopment Project Area in 1987
- Enabled tax increment funding for projects at Gillespie Field

Redevelopment Project Time Limits

- Plan duration – 40 years: 7/1987 – 6/2027
- Establishing debt – 20 years: 7/1987 – 6/2007
- Repaying debt – 45 years: 7/1987 – 6/2032

Debt Accrued & Projects Funded

- Redevelopment Agency debt:
 - AEF loans
 - 1995 bonds
 - 2005 bonds
- Projects completed:
 - Gillespie Field business park (Cuyamaca West I & II) infrastructure
 - Broadway box culvert
 - Participation in City of El Cajon Marshall Avenue project

AEF Loan Repayment

AEF Loan Repayment

- Loan balance \$13.7M at the time bonds were sold
 - \$9.3M principal
 - \$4.4M interest
- Bond issue provided \$10.4M to repay AEF
- Current loan balance \$3.6M
 - Continues to accrue interest
- Loan repayment projected to begin 2013

Bond Funded Projects

Bond Funded Project Criteria

Criteria included projects that:

- Addressed safety & security issues identified by TSA, FAA & State.
- Were not fully eligible for FAA funding.
- Leveraged federal/state grants for qualifying portions of the project and additional funding for related projects.
- Facilitated aviation development projects with significant public benefit.
- Encouraged private participation with lease areas and tenant build-outs.
- Provided new revenue streams to support County Airport system.
- Could be completed within three years (by 12/2008).

Palomar Terminal Building

\$10.2M project

- Funded with \$7.3M bond funds, \$2M FAA grants, \$1.M AEF

Completion of project:

- Resolves long standing FAA safety / security / operations issues
- Enables implementation of PFC charges (est. \$255K annually)
- Provides new lease revenue, e.g. airline gates, restaurant (restaurant est. \$30K annual minimum)
- Attracted \$12.2M FAA funding for other projects, including:
 - TW Charlie reconstruction
 - Drainage improvements
 - New apron
 - New blast fence
 - New access roads
 - New elevator and foot bridge from parking lot to terminal
 - New airport security system

Palomar Parking Lots & Parking Control System

- \$4M project funded with \$3.1M bonds & \$900K AEF
- Ineligible for FAA funding if revenue producing
- Provides new revenue estimated at \$410K annually

QUESTIONS?